

CASE STUDY OF CURRENT USE

RE: HB 156

AS 29.45.050(m)

From the Matanuska-Susitna Borough Assessor:

The land on which the sports center had an assessed value prior to construction of \$294,000. Today, the land and building have an assessed value of \$6,998,300. The approximate tax bill on the land prior to the exemption: \$4900. The average tax bill on the land and building today: \$102,500 and total taxes generated since the conclusion of the exemptions is \$615,100. Modeled after the actual fluctuations of the mill rate and assessed value, the undeveloped property would have generated an average of \$5200 with total taxes generated being \$31,500.

Here is a breakout of the tax exemption the MSB provided for the project:

2008 – 50% property tax exemption. Total exemption: \$48,000

2009 – 25% property tax exemption. Total exemption: \$24,400

2010 – 10% property tax exemption. Total exemption: \$9,900

Total exempted taxes (approximate): \$81,900

Increase tax revenues: \$583,500

ROI: 710% (approx.)